

SHIRE OF DENMARK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2025/26 Budgeted rate revenue	2025/26 Budgeted interim rates	2025/26 Budgeted total revenue	2024/25 Actual total revenue	2024/25 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
1. Improved	Gross rental valuation	0.081219	2,461	65,811,549	5,345,148	28,393	5,373,541	4,928,396	4,931,803
2. Holiday Purposes	Gross rental valuation	0.158377	110	2,597,400	411,368	0	411,368	368,199	368,199
3. Vacant	Gross rental valuation	0.161626	217	3,040,040	491,350	0	491,350	466,623	466,623
4. Rural	Unimproved valuation	0.003885	415	340,317,000	1,322,132	0	1,322,132	1,331,499	1,331,499
5. Rural - Add Use - Holiday	Unimproved valuation	0.005051	7	4,628,000	23,376	0	23,376	72,272	72,272
6. Rural - Add Use - Commercial	Unimproved valuation	0.006605	11	9,640,000	63,672	0	63,672	77,278	77,278
Total general rates			3,221	426,033,989	7,657,046	28,393	7,685,439	7,244,267	7,247,674
		Minimum							
		\$							
(ii) Minimum payment									
1. Improved	Gross rental valuation	1,512	547	7,338,430	827,064	0	827,064	894,660	894,660
2. Holiday Purposes	Gross rental valuation	1,815	0	0	0	0	0	0	0
3. Vacant	Gross rental valuation	1,480	190	1,331,140	281,200	0	281,200	285,224	285,224
4. Rural	Unimproved valuation	1,738	237	77,357,315	411,906	0	411,906	310,046	310,046
5. Rural - Add Use - Holiday	Unimproved valuation	2,258	3	1,134,000	6,774	0	6,774	12,930	12,930
6. Rural - Add Use - Commercial	Unimproved valuation	3,301	9	3,855,000	29,709	0	29,709	18,900	18,900
Total minimum payments			986	91,015,885	1,556,653	0	1,556,653	1,521,760	1,521,760
Total general rates and minimum payments			4,207	517,049,874	9,213,699	28,393	9,242,092	8,766,027	8,769,434
					9,213,699	28,393	9,242,092	8,766,027	8,769,434
Waivers (Refer note 2(f))							(81,343)	(89,127)	(89,129)
Total rates					9,213,699	28,393	9,160,749	8,676,900	8,680,305

The Shire did not raise specified area rates for the year ended 30th June 2026.

*Rateable Value at time of adopting budget.

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV), all other properties are rated according to their Unimproved Valuation (UV).

The general rates detailed for the 2025/26 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum payments have been determined by Council on the basis that all ratepayers must make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire.

SHIRE OF DENMARK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Rate Description	Characteristics	Objects	Reasons
1. Improved	All properties held or used for non-rural purposes, not for holiday purposes, and currently not vacant.	The object of this rate is to apply a base rate to improved land that is held or used for non-rural purposes.	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire.
2. Holiday Purposes	All properties held or used for non-rural purposes and for holiday purposes.	The object of a higher rate in the dollar (95% premium on the improved rate in the dollar) for this category is to provide fairness and equity across different types of residential land use.	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire. To reduce the significant disparity between the valuation of properties used for holiday purposes and those used as owner-occupier residences. Properties used for short term rentals generate higher gross rental income compared to properties used for long term residential purposes.
3. Vacant	All properties held or used for non-rural purposes and currently vacant.	The object of a higher rate in the dollar (99% premium on the improved rate in the dollar) for this category is to encourage absent owners of vacant land to develop and infill to improve the local economy and improve the local visual amenity of the town.	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire. The development of all vacant rateable land is in the best interests of the community as it will improve the vibrancy of the Shire.

SHIRE OF DENMARK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES (CONTINUED)

(c) Objectives and Reasons for Differential Rating (continued)

Rate Description	Characteristics	Objects	Reasons
4. Rural	All properties held or used for rural purposes.	The object of the rate in the dollar for this category is to set an appropriate rate for properties held or used for rural purposes.	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire. To achieve the required amount of revenue from the differential rating category.
5. Rural - Additional Use - Holiday	All properties held or used for rural purposes and have additional holiday use(s).	The object of the rate in the dollar (30% premium on the base rural rate) for this category is to recognise the additional holiday use(s).	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire. To reduce the disparity between the valuation of properties used for holiday purposes and those used for rural purposes.
6. Rural - Additional Use - Commercial	All properties held or used for rural purposes and have additional commercial use(s).	The object of the rate in the dollar (70% premium on the base rural rate) for this category is to recognise the additional commercial use(s).	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well as the provision of community services throughout the Shire. To reduce the disparity between the valuation of properties used for commercial purposes and those used for rural purposes.